



Agricultural Marketing Service
Fruit and Vegetable Programs

Marketing Orders and Agreements for Fruits, Vegetables, and Specialty Crops

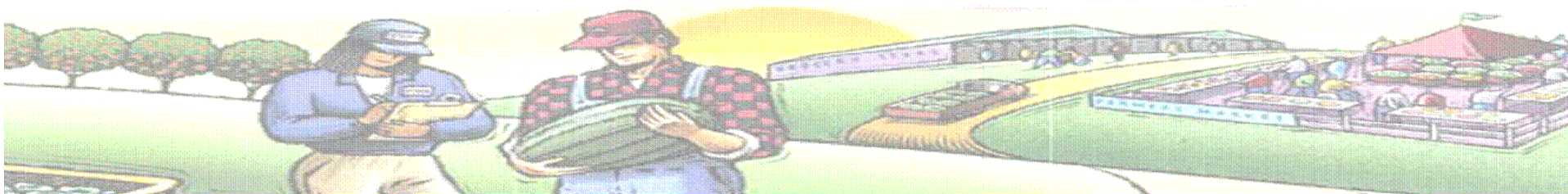
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Federal Marketing Orders and Agreements

Authority: Agricultural Marketing Agreement Act of 1937

- Stabilize market conditions
- Allow industries to work together to solve marketing problems
- Balance the supply of quality product with the demand by consumers





Marketing Orders and Marketing Agreements...

- Offer flexibility in designing and modifying requirements to reflect changes in production and handling practices.
- Are administered by committees of representatives that are nominated by the industries and selected by USDA.
- Are funded by assessments levied on handlers and based on the volume of commodity they handle.

Committees locally administer with USDA supervision.



Marketing Orders...

- Bind all individuals and businesses classified as "handlers" in a geographic area covered by the order.
- May regulate grade, size, quality, packaging, inspection, and/or volume handled of certain agricultural commodities.
- May provide for production and marketing research, market development, and promotional activities.



Marketing Orders...

- Must be approved by growers in referenda prior to implementation.
- May be issued with or without an identical marketing agreement, but in any case, all handlers must comply with the order requirements.

Once established, compliance with order regulations is mandatory for all handlers of the affected commodity within the production area.



Marketing Agreements...

- Bind only growers, handlers, processors, or others engaged in the handling of any agricultural commodity or its product who sign the agreement.

Signatories voluntarily agree to participate and comply with an agreement, which may include--but are not limited to--the types authorized for orders.

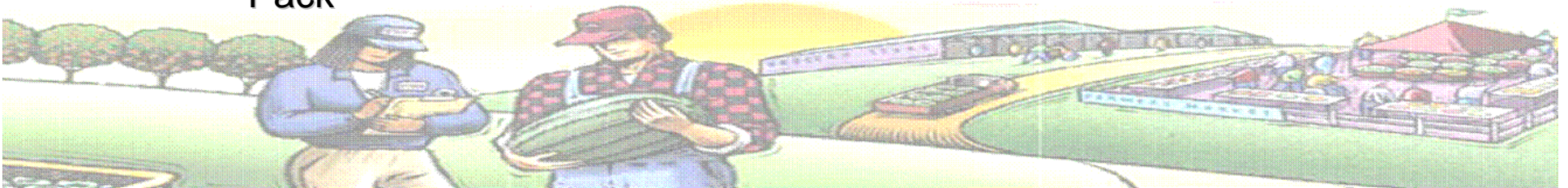




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Marketing Order Authorized Programs

- Market research
 - Trade
 - Consumer
 - Product development
- Volume control
 - Reserve pools
 - Size restrictions
- Container and pack requirements
 - Size
 - Weight
 - Dimensions
 - Pack
- Production research
- Minimum standards
 - Size
 - Quality
 - Grade
 - Maturity
- Mandatory inspection
- Market promotion, including paid advertising
- Collect and publish market data for growers and handlers





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Food Quality and Safety Issues

- Food safety may be part of a marketing order quality requirement because the absence of harmful pathogens or toxins is characteristic of higher quality products:
 - *Salmonella* bacteria in almonds presents a health hazard and therefore lowers the perceived quality of almonds shipped to market.
 - *Aflatoxin* is considered a possible human toxin, so its presence lowers the quality and market value of pistachios.
- AMS has already established marketing order handling regulations that address food safety and quality issues:
 - Beginning with the 2007-08 crop, almond handlers meet requirements prior to shipping them to market to reduce *Salmonella* contamination.
 - Pistachio handlers required to test all nuts destined for human consumption for *Aflatoxin* since 2005.
- AMS is prepared to implement handling regulations that would improve the safety, and therefore the quality and value, of leafy greens and other commodities through marketing orders or agreements.

